LEO DROZDOFF, Administrator

(775) 687-4670 Administration Facsimile 687-5856

Water Quality Planning Water Pollution Control Facsimile 687-4684

Mining Regulation & Reclamation Facsimile 684-5259

State of Nevada KENNY C. GUINN Governor



ALLEN BIAGGI, Director

Air Pollution Control Air Quality Planning Facsimile 687-6396

Waste Management Federal Facilities

Corrective Actions Facsimile 687-8335

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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138 Carson City, Nevada 89706

Notice of Proposed Action

The Administrator of the Division of Environmental Protection gives notice that an application for a Water Pollution Control Permit for the **Alder Creek Ranch Pilot Test Milling Facility and Ashdown Mining Project** has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Water Pollution Control Permit **NEV2004107** is:

Golden Phoenix Minerals, Inc.

1675 E. Prater Way, Suite 102 Sparks, Nevada 89434

The facility is located in Humboldt County, within Section 35, Township 45N, Range 28E, and Section 14, Township 45N, Range 29E, Mount Diablo Baseline and Meridian (MDB&M), approximately 14 miles south-southwest of Denio Junction.

The project consists of processing stockpiled ore and historic tailings from the Ashdown Mine and some ore from the Sylvia Decline. Conventional flotation milling with a gold classifier will be used to process the molybdenum and gold ore with tailings disposal into a bermed and lined tailings impoundment. The maximum permitted production is 10,000 tons of ore. The facility is comprised of the mine, crushing and grinding circuit, mill and process plant including flotation tanks, cleaner circuit, thickener, filter and concentrate bin. Pipelines route tailings to, and return reclaim water from, the tailings impoundment. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation, except for meteorological events which exceed the design storm event.

The Administrator is constrained to issue the Water Pollution Control Permit or to deny the application. The Administrator has made the tentative decision to issue the permit.

Persons wishing to comment upon the proposed Water Pollution Control Permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to Nevada Administrative Code, NAC Chapter 445A, must submit their written comments, objections, or requests no later than 5:00 PM on the 30th day following the date of publication of this notice (Day Month Year) to:

Division of Environmental Protection Bureau of Mining Regulation and Reclamation 333 West Nye Lane, Room 138 Carson City, Nevada 89706-0851

All comments or objections received during the public notice period will be considered in the final determination regarding this Water Pollution Control Permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The draft Water Pollution Control Permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson on (775) 687-9401, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at